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FISCAL IMPACT STATEMENT

LS 6639

BILL NUMBER: HB 1084

NOTE PREPARED: Dec 21, 2005

BILL AMENDED:

SUBJECT: Property Tax Deduction for Free Golf for Students.

FIRST AUTHOR: Rep. Bischoff

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill provides a property tax deduction for an owner of a commercial golf course who allows elementary or secondary school students to use the golf course without charge.

Effective Date: July 1, 2006; January 1, 2007.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: The property tax deduction for the owner of a golf course would have no fiscal impact on the revenue of local governments.

The deduction would cause a shift from the property taxes paid by the golf course owner to other taxpayers. The amount of the shift is unknown but would depend on the amount of free golf provided by the course to students and the percentage that the course's assessed valuation is of the total assessed valuation of the taxing district. The amount of the assessed valuation deduction equals the fair market value of golf the course provides to students for free. The golf course would be required to provide the county auditor an accurate statement of the golf course usages that entitles the owner to a deduction.

Background Information: Green fees range from \$10 to \$50 for 18 holes of golf. The average green fees are

about \$20. The assessed valuation of about 140 commercial golf courses in CY 2003 was about \$177.5 M. Approximately 355 high schools have a boy's golf team, and 277 high schools have a girl's golf team.

State Agencies Affected:

Local Agencies Affected: County Auditor.

Information Sources:

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